

Permanent Building Fund

Analyst: Randolph

Historical Summary

| OPERATING BUDGET | FY 2018 Total App | FY 2018 Actual | FY 2019 Approp | FY 2020 Request | FY 2020 Gov Rec |
|---------------------------------|----------------------|-------------------|-------------------|--------------------|--------------------|
| BY FUND CATEGORY | | | | | |
| Dedicated | 118,671,000 | 31,414,400 | 77,772,000 | 48,773,700 | 70,370,500 |
| Percent Change: | | (73.5%) | 147.6% | (37.3%) | (9.5%) |
| BY OBJECT OF EXPENDITURE | | | | | |
| Operating Expenditures | 0 | 0 | 0 | 0 | 1,904,800 |
| Capital Outlay | 118,671,000 | 31,414,400 | 77,772,000 | 48,773,700 | 68,465,700 |
| Total: | 118,671,000 | 31,414,400 | 77,772,000 | 48,773,700 | 70,370,500 |

Division Description

The Permanent Building Fund budget includes construction and maintenance costs for state buildings, including those at the college, universities, and community colleges, funded from the Permanent Building Fund. The process is under the direction of the Permanent Building Fund Advisory Council (PBFAC), which is appointed by, and serves at the pleasure of, the Governor. The council is composed of a member from the Senate (currently Senator Steve Vick), a member from the House of Representatives (currently Representative Robert Anderst), a contractor, a banker, and a person from the business community. Throughout the year, the council reviews and approves all planning, design, and construction of state public works projects.

Seven statutory sources of revenue are dedicated to the Permanent Building Fund:

- 1) Every person and corporation required to file a tax return pays a tax of ten dollars (Section 63-3082, Idaho Code), which is credited to the Permanent Building Fund (Section 57-1110, Idaho Code).
- 2) Five million dollars per year is continuously appropriated and set aside from the Sales Tax Fund to the Permanent Building Fund (Section 63-3638, Idaho Code).
- 3) Five million dollars per year of cigarette tax revenue (Section 63-2520, Idaho Code).
- 4) Proceeds from the beer tax collected under Section 23-1008, Idaho Code. Beer is taxed at \$4.65 per barrel of 31 gallons, and a like rate for any other quantity or fraction thereof, is levied and imposed upon each and every barrel of beer sold for use within Idaho. Thirty-three percent (33%) of the proceeds are deposited to the Permanent Building Fund.
- 5) Three-eighths of state lottery earnings are distributed to the Permanent Building Fund (Section 67-7434, Idaho Code). The Lottery's net income has historically been split equally between the Permanent Building Fund and the School District Building Fund. In 2009, H275 provided that, beginning on July 1, 2009, so long as transfers to the Permanent Building Fund and the School District Building Fund reach FY 2008 levels or \$17,000,000 for each fund, transfers of net income to the Permanent Building Fund and School District Building Fund shall decrease to three-eighths each, and the remaining one-fourth of net lottery income shall transfer to the Bond Levy Equalization Fund. H478 of 2014 extended the sunset of the original legislation to July 1, 2019 (the legislation was originally set to expire September 30, 2014), and S1206 of 2017 made the distribution permanent. Since its inception in 1989, the lottery has distributed more than \$700 million in dividends to the Permanent Building Fund and School District Building Fund.
- 6) Interest earnings are retained by the fund and invested by the State Treasurer (Section 57-1108, Idaho Code).
- 7) Interest earnings from the Budget Stabilization Fund are credited to the Permanent Building Fund (Section 57-814(1), Idaho Code).

Permanent Building Fund

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FY 2018 Actual Expenditures by Division

| | | FTP | PC | OE | CO | T/B | LS | Total |
|--|---------------------------------------|------|------------|------------|---------------------|------------|------------|---------------------|
| 0.30 | FY 2018 Original Appropriation | | | | | | | |
| 0365-00 | Ded | 0.00 | 0 | 0 | 71,425,700 | 0 | 0 | 71,425,700 |
| Totals: | | 0.00 | 0 | 0 | 71,425,700 | 0 | 0 | 71,425,700 |
| 0.41 | Prior Year Reappropriation | | | | | | | |
| 0365-00 | Ded | 0.00 | 0 | 0 | 47,245,300 | 0 | 0 | 47,245,300 |
| Totals: | | 0.00 | 0 | 0 | 47,245,300 | 0 | 0 | 47,245,300 |
| 1.00 | FY 2018 Total Appropriation | | | | | | | |
| 0365-00 | Ded | 0.00 | 0 | 0 | 118,671,000 | 0 | 0 | 118,671,000 |
| Totals: | | 0.00 | 0 | 0 | 118,671,000 | 0 | 0 | 118,671,000 |
| 1.71 | Current Year Reappropriation | | | | | | | |
| 0365-00 | Ded | 0.00 | 0 | 0 | (87,256,600) | 0 | 0 | (87,256,600) |
| Totals: | | 0.00 | 0 | 0 | (87,256,600) | 0 | 0 | (87,256,600) |
| 2.00 | FY 2018 Actual Expenditures | | | | | | | |
| 0365-00 | Ded | 0.00 | 0 | 0 | 31,414,400 | 0 | 0 | 31,414,400 |
| | Permanent Building | | 0 | 0 | 31,414,400 | 0 | 0 | 31,414,400 |
| Totals: | | 0.00 | 0 | 0 | 31,414,400 | 0 | 0 | 31,414,400 |
| Difference: Actual Expenditures minus Total Appropriation | | | | | | | | |
| 0365-00 | Ded | | 0 | 0 | (87,256,600) | 0 | 0 | (87,256,600) |
| | Permanent Building | | N/A | N/A | (73.5%) | N/A | N/A | (73.5%) |
| Difference From Total Approp | | | 0 | 0 | (87,256,600) | 0 | 0 | (87,256,600) |
| Percent Diff From Total Approp | | | N/A | N/A | (73.5%) | N/A | N/A | (73.5%) |

Permanent Building Fund

Agency Profile

Analyst: Randolph

FY 2020 Permanent Building Fund (PBF) Comparison

FY 2020 REVENUE ESTIMATES:

| | | | | |
|--|-----------|-------------------|-----------|-------------------|
| FY 2019 Beginning Balance | \$ | 7,910,800 | \$ | 7,910,800 |
| Income Tax Filing Fee (\$10 head tax) | \$ | 8,171,200 | \$ | 8,171,200 |
| Cigarette Tax (fixed amount) | \$ | 5,000,000 | \$ | 5,000,000 |
| Beer Tax (33% of net collections) | \$ | 1,421,800 | \$ | 1,421,800 |
| Sales Tax (fixed amount) | \$ | 5,000,000 | \$ | 5,000,000 |
| Lottery Dividends | \$ | 20,437,500 | \$ | 20,437,500 |
| Capitol Mall Parking Receipts | \$ | 260,000 | \$ | 260,000 |
| Chinden Campus Rents | \$ | 9,300,000 | \$ | 9,300,000 |
| Budget Stabilization Fund and Other Interest | \$ | 11,184,000 | \$ | 11,184,000 |
| TOTAL FUNDS AVAILABLE for FY 2020 | \$ | 68,685,300 | \$ | 68,685,300 |

Requests

Governor's Rec

EXPENDITURES:

Dept of Administration Operating Budget:

| | | | | |
|--|-----------|-------------------|-----------|-------------------|
| Public Works Operating Budget | \$ | 2,903,200 | \$ | 2,782,600 |
| Management Service Program Costs | \$ | 143,200 | \$ | 144,100 |
| Bond Payments | \$ | 15,174,000 | \$ | 15,174,000 |
| Public Officials' Capitol Mall Facilities Transfer | \$ | 1,737,500 | \$ | 1,737,500 |
| Sub-total Admin Operating Budget | \$ | 19,957,900 | \$ | 19,838,200 |

Alteration & Repair Projects, plus Capital Projects:

| | | | | |
|--|-----------|--------------------|-----------|-------------------|
| Statewide Alteration and Repair Projects | \$ | 35,883,700 | \$ | 35,975,700 |
| Asbestos Abatement | \$ | 500,000 | \$ | 500,000 |
| ADA Compliance | \$ | 1,300,000 | \$ | 1,300,000 |
| Capitol Mall Maintenance | \$ | 260,000 | \$ | 260,000 |
| Chinden Campus Maintenance | \$ | 1,000,000 | \$ | 1,000,000 |
| Dept. of Ag Pathology Lab | \$ | 8,000,000 | \$ | 8,000,000 |
| Division of Military Twin Falls Readiness Center Utilities | \$ | 1,200,000 | \$ | 1,200,000 |
| Public Safety Mica Peak Comm. Site | \$ | 630,000 | \$ | 630,000 |
| IDOC Wastewater Lagoon Repair | \$ | - | \$ | 1,904,800 |
| IDOC North Idaho Reentry Center | \$ | - | \$ | 12,200,000 |
| IDOC St. Anthony Facility Expansion | \$ | - | \$ | 7,400,000 |
| All Other Agency Project Requests | \$ | 182,439,500 | \$ | - |
| Sub-total Funding Requests | \$ | 231,213,200 | \$ | 70,370,500 |

ESTIMATED ENDING BALANCE \$ (182,485,800) \$ (21,523,400)

The Governor's Recommendation includes a General Fund cash transfer for additional projects, including: IDOC wastewater lagoon repair for \$1,904,800; IDOC north Idaho reentry center for \$12,200,000; and IDOC St. Anthony facility expansion for \$7,400,000.

\$ 21,504,800

ESTIMATED ENDING BALANCE AFTER CASH TRANSFERS

\$ (18,600)

Permanent Building Fund

FY 2019 JFAC Action

| | FTP | Gen | Ded | Fed | Total |
|---|-------------|--------------|--------------------|----------|--------------------|
| FY 2018 Original Appropriation | 0.00 | 0 | 71,425,700 | 0 | 71,425,700 |
| Reappropriation | 0.00 | 0 | 47,245,300 | 0 | 47,245,300 |
| FY 2018 Total Appropriation | 0.00 | 0 | 118,671,000 | 0 | 118,671,000 |
| FY 2018 Estimated Expenditures | 0.00 | 0 | 118,671,000 | 0 | 118,671,000 |
| Removal of Onetime Expenditures | 0.00 | 0 | (118,671,000) | 0 | (118,671,000) |
| FY 2019 Base | 0.00 | 0 | 0 | 0 | 0 |
| Replacement Items | 0.00 | 0 | 51,314,900 | 0 | 51,314,900 |
| FY 2019 Program Maintenance | 0.00 | 0 | 51,314,900 | 0 | 51,314,900 |
| Line Items | | | | | |
| 1. IDOC Waste Water Lagoon Upgrade | 0.00 | 0 | 1,220,000 | 0 | 1,220,000 |
| 2. CSI Canyon Building Remodel | 0.00 | 0 | 830,000 | 0 | 830,000 |
| 3. Division of Military's MWR Facility | 0.00 | 0 | 250,000 | 0 | 250,000 |
| 4. New Public Safety Communications Sit | 0.00 | 0 | 700,000 | 0 | 700,000 |
| 5. IDOC Community Reentry Center | 0.00 | 0 | 9,114,200 | 0 | 9,114,200 |
| 6. General Fund for Capital Projects | 0.00 | 44,114,200 | 0 | 0 | 44,114,200 |
| 7. CWI Nampa Health Sciences Bldg | 0.00 | 0 | 10,000,000 | 0 | 10,000,000 |
| 8. Nuclear Seed Potato Facility | 0.00 | 0 | 3,000,000 | 0 | 3,000,000 |
| 9. IDOC Facility Expansions | 0.00 | 0 | 1,342,900 | 0 | 1,342,900 |
| Cash Transfers | 0.00 | (44,114,200) | 0 | 0 | (44,114,200) |
| FY 2019 Original Appropriation | 0.00 | 0 | 77,772,000 | 0 | 77,772,000 |
| Chg from FY 2018 Orig Approp. | 0.00 | 0 | 6,346,300 | 0 | 6,346,300 |
| % Chg from FY 2018 Orig Approp. | | | 8.9% | | 8.9% |

Permanent Building Fund

Analyst: Randolph

Comparative Summary

| Decision Unit | Agency Request | | | Governor's Rec | | |
|---|----------------|----------|--------------------|----------------|--------------|--------------------|
| | FTP | General | Total | FTP | General | Total |
| FY 2019 Original Appropriation | 0.00 | 0 | 77,772,000 | 0.00 | 0 | 77,772,000 |
| Reappropriation | 0.00 | 0 | 87,256,600 | 0.00 | 0 | 87,256,600 |
| 1. ISU Eames Complex | 0.00 | 0 | 0 | 0.00 | 0 | 0 |
| FY 2019 Total Appropriation | 0.00 | 0 | 165,028,600 | 0.00 | 0 | 165,028,600 |
| Removal of Onetime Expenditures | 0.00 | 0 | (165,028,600) | 0.00 | 0 | (165,028,600) |
| FY 2020 Base | 0.00 | 0 | 0 | 0.00 | 0 | 0 |
| Replacement Items | 0.00 | 0 | 38,943,700 | 0.00 | 0 | 39,035,700 |
| FY 2020 Program Maintenance | 0.00 | 0 | 38,943,700 | 0.00 | 0 | 39,035,700 |
| 1. Dept. of Ag Pathology Lab | 0.00 | 0 | 8,000,000 | 0.00 | 0 | 8,000,000 |
| 2. Division of Military TFRC Site Utilities | 0.00 | 0 | 1,200,000 | 0.00 | 0 | 1,200,000 |
| 3. Public Safety Mica Peak Comm. Site | 0.00 | 0 | 630,000 | 0.00 | 0 | 630,000 |
| 4. DOC Wastewater Lagoon Repair | 0.00 | 0 | 0 | 0.00 | 0 | 1,904,800 |
| 5. DOC North Idaho Reentry Center | 0.00 | 0 | 0 | 0.00 | 0 | 12,200,000 |
| 6. DOC St Anthony Facility Expansion | 0.00 | 0 | 0 | 0.00 | 0 | 7,400,000 |
| 7. General Fund for Capital Projects | 0.00 | 0 | 0 | 0.00 | 21,504,800 | 21,504,800 |
| Cash Transfers | 0.00 | 0 | 0 | 0.00 | (21,504,800) | (21,504,800) |
| FY 2020 Total | 0.00 | 0 | 48,773,700 | 0.00 | 0 | 70,370,500 |
| Change from Original Appropriation | 0.00 | 0 | (28,998,300) | 0.00 | 0 | (7,401,500) |
| % Change from Original Appropriation | | | (37.3%) | | | (9.5%) |

Permanent Building Fund

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| Budget by Decision Unit | FTP | General | Dedicated | Federal | Total |
|---------------------------------------|------|---------|------------|---------|------------|
| FY 2019 Original Appropriation | 0.00 | 0 | 77,772,000 | 0 | 77,772,000 |

Reappropriation

The council was authorized to reappropriate or carryover its unencumbered and unspent appropriation from FY 2018 into FY 2019. Carryover required legislative approval and is removed as a onetime expenditure before calculating the FY 2020 Base.

| | | | | | |
|---------------------------|------|---|------------|---|------------|
| Agency Request | 0.00 | 0 | 87,256,600 | 0 | 87,256,600 |
| Governor's Recommendation | 0.00 | 0 | 87,256,600 | 0 | 87,256,600 |

1. ISU Eames Complex

| | | | | | |
|----------------|------|---|---|---|---|
| Agency Request | 0.00 | 0 | 0 | 0 | 0 |
|----------------|------|---|---|---|---|

The Governor recommends changing appropriation bill language to redirect \$10,000,000 appropriated for the Gale Life Sciences Building to the Eames Complex at the Idaho State University campus in Pocatello.

| | | | | | |
|---------------------------|------|---|---|---|---|
| Governor's Recommendation | 0.00 | 0 | 0 | 0 | 0 |
|---------------------------|------|---|---|---|---|

| | | | | | |
|------------------------------------|------|---|-------------|---|-------------|
| FY 2019 Total Appropriation | | | | | |
| Agency Request | 0.00 | 0 | 165,028,600 | 0 | 165,028,600 |
| Governor's Recommendation | 0.00 | 0 | 165,028,600 | 0 | 165,028,600 |

Removal of Onetime Expenditures

This decision unit removes the FY 2019 original appropriation and reappropriation to get to an FY 2020 Base of zero.

| | | | | | |
|---------------------------|------|---|---------------|---|---------------|
| Agency Request | 0.00 | 0 | (165,028,600) | 0 | (165,028,600) |
| Governor's Recommendation | 0.00 | 0 | (165,028,600) | 0 | (165,028,600) |

| | | | | | |
|---------------------------|------|---|---|---|---|
| FY 2020 Base | | | | | |
| Agency Request | 0.00 | 0 | 0 | 0 | 0 |
| Governor's Recommendation | 0.00 | 0 | 0 | 0 | 0 |

Replacement Items

The Permanent Building Fund Advisory Council requests the following from the Permanent Building Fund: \$35,883,700 for statewide building alteration and repair projects, \$1,300,000 for Americans with Disabilities Act (ADA) projects, \$500,000 for asbestos projects, and \$260,000 to spend Capitol Mall parking receipts.

| | | | | | |
|----------------|------|---|------------|---|------------|
| Agency Request | 0.00 | 0 | 38,943,700 | 0 | 38,943,700 |
|----------------|------|---|------------|---|------------|

The Governor recommends an additional \$92,000 for statewide building alternation and repair projects.

| | | | | | |
|---------------------------|------|---|------------|---|------------|
| Governor's Recommendation | 0.00 | 0 | 39,035,700 | 0 | 39,035,700 |
|---------------------------|------|---|------------|---|------------|

| | | | | | |
|------------------------------------|------|---|------------|---|------------|
| FY 2020 Program Maintenance | | | | | |
| Agency Request | 0.00 | 0 | 38,943,700 | 0 | 38,943,700 |
| Governor's Recommendation | 0.00 | 0 | 39,035,700 | 0 | 39,035,700 |

1. Dept. of Ag Pathology Lab

The Permanent Building Fund Advisory Council requests \$8,000,000 from the Permanent Building Fund to construct a new lab building to house the Idaho State Department of Agriculture (ISDA) animal health lab, plant pathology lab, and dairy lab. The lab will replace an existing laboratory which occupies one floor at the Department of Health and Welfare building on Old Penitentiary Road. According to the agency, the existing lab does not accommodate the growth experienced by the lab, does not meet current lab standards, and is antiquated and in need of major renovation. The new building will allow the lab to accommodate expanded services and keep up with Idaho's regulatory and diagnostic testing needs. The lab will be built on land owned by the state adjacent to the ISDA Boise office on Old Penitentiary Road.

| | | | | | |
|---------------------------|------|---|-----------|---|-----------|
| Agency Request | 0.00 | 0 | 8,000,000 | 0 | 8,000,000 |
| Governor's Recommendation | 0.00 | 0 | 8,000,000 | 0 | 8,000,000 |

Permanent Building Fund

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| Budget by Decision Unit | FTP | General | Dedicated | Federal | Total |
|---|------|---------|------------|---------|------------|
| 2. Division of Military TFRC Site Utilities | | | | | |
| The Permanent Building Fund Advisory Council requests \$1,200,000 from the Permanent Building Fund to install electric, gas, data, water, and sewer utilities at the future Twin Falls Readiness Center (TFRC). The Idaho National Guard was approved for a readiness center project for 2022, and federal military construction projects require utilities to be located in the site vicinity prior to construction. This site will support 200 military personnel at peak occupancy. | | | | | |
| Agency Request | 0.00 | 0 | 1,200,000 | 0 | 1,200,000 |
| Governor's Recommendation | 0.00 | 0 | 1,200,000 | 0 | 1,200,000 |
| 3. Public Safety Mica Peak Comm. Site | | | | | |
| The council requests \$630,000 from the Permanent Building Fund to replace and upgrade the building and communication tower at the Mica Peak communications site near Coeur d'Alene. The existing tower and building are at capacity, and the tower does not meet industry standards for communication towers. This project will enhance safeguarding and maintaining communications equipment for the Idaho Military Division, Idaho State Police, Idaho Department of Health and Welfare, and Idaho Transportation Department. | | | | | |
| Agency Request | 0.00 | 0 | 630,000 | 0 | 630,000 |
| Governor's Recommendation | 0.00 | 0 | 630,000 | 0 | 630,000 |
| 4. DOC Wastewater Lagoon Repair | | | | | |
| Agency Request | 0.00 | 0 | 0 | 0 | 0 |
| The Governor recommends \$1,904,800 from the Permanent Building Fund to make repairs to the wastewater lagoons that support the Idaho State Correctional Center and the Treasure Valley Community Release Center. These repairs need to be completed to be compliant with an agreement between the Idaho Department of Correction and the Department of Environmental Quality. The repairs consist of hiring a qualified vendor to perform engineering and contract services to make repairs to the earthen dam and replace the lagoon liner. | | | | | |
| Governor's Recommendation | 0.00 | 0 | 1,904,800 | 0 | 1,904,800 |
| 5. DOC North Idaho Reentry Center | | | | | |
| Agency Request | 0.00 | 0 | 0 | 0 | 0 |
| The Governor recommends \$12,200,000 from the Permanent Building Fund for a community reentry center in northern Idaho. This 120-bed minimum-security correctional facility would provide additional housing for a growing offender population while preparing offenders for a positive reentry into the community. The expected ongoing costs associated with operating the new facility are anticipated to be approximately \$2.2 million annually, to be requested by the Department of Correction in a future budget request. | | | | | |
| Governor's Recommendation | 0.00 | 0 | 12,200,000 | 0 | 12,200,000 |
| 6. DOC St Anthony Facility Expansion | | | | | |
| Agency Request | 0.00 | 0 | 0 | 0 | 0 |
| The Governor recommends \$7,400,000 from the Permanent Building Fund for a 100-bed expansion of the St. Anthony Work Camp. The St. Anthony Work Camp currently has a 276-bed capacity and provides low-risk, minimum-security inmates vocational work project opportunities. The expansion will provide additional housing for a growing offender population and will provide offenders paid work experience through contracted work and public service projects with government agencies, non-profit organizations, and private employers. The expected ongoing costs associated with operating the new facility are anticipated to be approximately \$2.2 million annually, to be requested by the Department of Correction in a future budget request. | | | | | |
| Governor's Recommendation | 0.00 | 0 | 7,400,000 | 0 | 7,400,000 |

Permanent Building Fund

Analyst: Randolph

| Budget by Decision Unit | FTP | General | Dedicated | Federal | Total |
|---|------|--------------|--------------|---------|--------------|
| 7. General Fund for Capital Projects | | | | | |
| Agency Request | 0.00 | 0 | 0 | 0 | 0 |
| <i>The Governor recommends transferring and appropriating a total of \$21,504,800 from the General Fund into the Permanent Building Fund. This is the General Fund appropriation of the Governor's recommendation for the following projects:</i> | | | | | |
| <i>1. Idaho Department of Correction Wastewater Lagoon Repair (\$1,904,800 in line item 4);</i> | | | | | |
| <i>2. Idaho Department of Correction North Idaho Reentry Center (\$12,200,000 in line item 5); and</i> | | | | | |
| <i>3. Idaho Department of Correction St. Anthony Facility Expansion (\$7,400,000 in line item 6).</i> | | | | | |
| Governor's Recommendation | 0.00 | 21,504,800 | 0 | 0 | 21,504,800 |
| Cash Transfers | | | | | |
| Agency Request | 0.00 | 0 | 0 | 0 | 0 |
| <i>The Governor recommends transferring a total of \$21,504,800 from the General Fund into the Permanent Building Fund. This is the cash transfer portion of the Governor's recommendation for the following projects:</i> | | | | | |
| <i>1. Idaho Department of Correction Wastewater Lagoon Repair (\$1,904,800 in line item 4);</i> | | | | | |
| <i>2. Idaho Department of Correction North Idaho Reentry Center (\$12,200,000 in line item 5); and</i> | | | | | |
| <i>3. Idaho Department of Correction St. Anthony Facility Expansion (\$7,400,000 in line item 6).</i> | | | | | |
| Governor's Recommendation | 0.00 | (21,504,800) | 0 | 0 | (21,504,800) |
| FY 2020 Total | | | | | |
| Agency Request | 0.00 | 0 | 48,773,700 | 0 | 48,773,700 |
| Governor's Recommendation | 0.00 | 0 | 70,370,500 | 0 | 70,370,500 |
| Agency Request | | | | | |
| Change from Original App | 0.00 | 0 | (28,998,300) | 0 | (28,998,300) |
| % Change from Original App | | | (37.3%) | | (37.3%) |
| Governor's Recommendation | | | | | |
| Change from Original App | 0.00 | 0 | (7,401,500) | 0 | (7,401,500) |
| % Change from Original App | | | (9.5%) | | (9.5%) |